



FEMA

## Substantial Improvement/Substantial Damage for Floodplain Administrators Mitigation Fact Sheet

Substantial Improvement/Substantial Damage are **everyday issues**, not just post-disaster; and they **apply to all buildings in the floodplain**. In order to participate in the NFIP, local communities must adopt and enforce adequate floodplain management regulations that meet or exceed the agency's minimum criteria. In return for the adoption and enforcement of these regulations, FEMA makes flood insurance available throughout the community.

These regulations require that damaged structures and alteration/repair permit applications be reviewed to determine if the threshold for substantial improvements/damage has been reached. The determination process includes a review of:

1. The cost to repair a damaged building to its pre-damaged condition, and
2. The cost of all proposed additions/improvements.

If the structure is deemed to be substantially improved/damaged, it must be protected using the current local floodplain management regulations.

**Substantial improvement** means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "*substantial damage*", regardless of the actual repair work performed. The term does not, however, include either:

- (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or
- (2) Any alteration of a "historic structure" provided that the alteration will not preclude the structure's continued designation as a "historic structure".

Compliance with the National Flood Insurance Program's (NFIP) substantial improvement/damage rule is important because enforcing this rule can help communities mitigate future losses of life and property during times of flooding. Failure to enforce these measures can jeopardize the community's continued participation in the NFIP and ability to qualify for federal assistance following a disaster.

Local floodplain management regulations and NFIP regulations are intended to prevent development or redevelopment within the floodplain without adequate mitigation measures. The ordinances and regulations require the following:

- Substantial damage exists when the cost of restoring a structure to its pre-damaged condition equals or exceeds 50 percent of the structure's pre-damage market value, regardless of the cause of the damage.
- Development permits must be obtained for all proposed construction or other development, including post-disaster repairs, within the identified flood hazard areas of the community. Development is defined as any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials.
- All new construction, substantial improvements, or restoration of substantially damaged residential structures shall have the lowest floor (including basement) elevated to or above the identified base flood elevation (BFE), which is developed using scientific data and engineering studies. It is the level water would be expected to reach in a flood that has a 1 percent chance of occurring in any year, also called the 1-percent-chance flood.
- All new construction and/or substantial improvement of *non-residential* structures shall either have the lowest floor (including basement) elevated to or above the identified BFE or be designed so that the area below the BFE is watertight with walls that are impermeable to water and are capable of withstanding hydrostatic and hydrodynamic pressures.
- Encroachments including fill, new construction, substantial improvements, substantial restoration or other developments are prohibited within an adopted regulatory floodway if it is determined that the encroachment would result in any increase in flood levels within the community during the occurrence of the 1 percent or 100-year flood.

Floodplain management regulations are designed to mitigate future losses of life and property.

**Additional Information:**

For more information, visit [FloodSmart.gov](http://FloodSmart.gov) and [FEMA.gov](http://FEMA.gov) or contact the FEMA Region VI, Floodplain Management & Insurance Branch at 940-898-5127.

For general flood insurance questions, call 1-800-427-4661 or contact your insurance company or insurance agent.

To protect property with a flood insurance policy, call your insurance agent or call 1-800-427-2419 to find an agent near you.

Training inquiries should be directed to FEMA Region VI, Mitigation Division, Floodplain Management & Insurance Branch at (940) 898-5127.